



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#10 JANUARY 11, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Los Angeles County
Board of Supervisors

January 11, 2011

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

Mitchell H. Katz, M.D.
Director

John F. Schunhoff, Ph.D.
Chief Deputy Director

**APPROVAL OF STANDARD AGREEMENT FROM THE STATE
DEPARTMENT OF CORRECTIONS AND REHABILITATION FOR
OUTPATIENT AND INPATIENT SERVICES REIMBURSEMENT
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

*To improve health
through leadership,
service and education.*

SUBJECT

Request approval to execute a Standard Agreement from the State of California Department of Corrections and Rehabilitation to reimburse the Department of Health Services for inpatient and outpatient medical services provided to State incarcerated youth.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute Standard Agreement No. 5600001563, with the State of California Department of Corrections and Rehabilitation (CDCR), effective on Board approval for the period July 1, 2010 through June 30, 2013, to reimburse the Department of Health Services (DHS) LAC+USC Medical Center (LAC+USC MC) for inpatient and outpatient medical services provided to State incarcerated youth, in an amount not to exceed \$300,000 for the entire term.

2. Delegate authority to the Director, or his designee, to execute, on behalf of the County, future standard agreements from CDCR for reimbursement for outpatient and inpatient services provided to incarcerated youth at the LAC+



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USC MC through June 30, 2016, following review and approval by County Counsel, with notice to your Board.

3. Delegate authority to the Director, or his designee, to execute any CDCR-required future amendments that are substantially similar to the purpose and scope of the Standard Agreement or any amendment that provides additional funding through June 30, 2016, following review and approval by County Counsel, with notice to your Board.

4. Approve and instruct the Mayor to sign the attached Resolution to approve the County's Agreement with CDCR and authorize the Director, or his designee, to execute future CDCR Standard Agreements for outpatient and inpatient services for incarcerated youth and amendments to those Agreements that require minor changes or to add funding, if necessary, through June 30, 2016.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Director, or his designee, to execute the State Standard Agreement, substantially similar to Exhibit I, so DHS can be reimbursed by CDCR for emergency, medical, surgical and diagnostic services, including outpatient visits, provided at LAC +USC MC's jail ward, that cannot be provided by CDCR, for Fiscal Years 2010-11 through 2012-13. This Agreement was received from the State in September 2010. However, the Agreement language required further revisions, which were not reviewed and approved by the State until early December. Therefore, we are now presenting it to your Board for approval.

Approval of the second recommendation will delegate authority to the Director, or his designee, to execute future Standard Agreements from the CDCR for outpatient and inpatient services provided to incarcerated youth at LAC+USC MC through June 30, 2016, following review and approval by County Counsel, with notification to your Board.

Approval of the third recommendation will delegate authority to the Director, or his designee, to execute CDCR-required amendments that are substantially similar in purpose and scope to the Standard Agreement or that provide additional funding through June 30, 2016, following review and approval by County Counsel, with notification to your Board.

Approval of the fourth recommendation will instruct the Mayor to sign the attached Resolution (Attachment A), as required by the State, that authorizes the County to enter into future agreements with the CDCR and authorizes the Director to execute this Agreement and any future amendments and agreements for inpatient and outpatient medical services provided to incarcerated youth.

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This Agreement represents \$300,000 in revenue to the County to fully reimburse the costs, on a fee-for-service basis, of all services provided to incarcerated youth at County facilities.

Funding is included in the Fiscal Year (FY) 2010-11 Final Budget and will be requested in future fiscal years as needed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Since 2002, your Board has approved the State’s Standard Agreements with the CDCR for the provision of inpatient and outpatient health services to State-incarcerated youth. The CDCR refers inmates to the LAC+USC MC jail ward as needed for health care that they are not able to provide. This Agreement will allow DHS to be reimbursed for the inpatient and outpatient services provided for the State-incarcerated youth.

In accordance with Government Code, Section 6254.14, all information related to this Agreement or subsequent Amendment(s) is exempt from public disclosure for a period of one year after the execution date of this Agreement or subsequent Amendment(s). Information as to rates of payment related to this Agreement or subsequent Amendment(s) is exempt from public disclosure for a period of four years after the execution date of this Agreement or subsequent Amendment(s).

The Agreement may be terminated upon 30 days’ advance notice by either party.

County Counsel has reviewed and approved Standard Agreement No. 5600001563, Exhibit I, as to form.

The Board Resolution (Attachment A) reflects approval and authorization for the Director or his designee to sign Standard Agreement No. 5600001563 with CDCR, and to sign Amendments to this Agreement and new Agreements through June 30, 2016, following review and approval of County Counsel.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will enable the Department to continue accepting referrals from the CDCR for youth inmates requiring outpatient and inpatient medical services, and to receive appropriate reimbursement for the services provided.

The Honorable Board of Supervisors

1/11/2011

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, somewhat stylized font.

Mitchell H. Katz, M.D.

Director

MHK:po

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

RESOLUTION

The Board of Supervisors of the County of Los Angeles, at the meeting identified below, approved contracting between the County of Los Angeles and the State of California, Department of Corrections and Rehabilitation, for the provision of medical care services to State of California incarcerated youth at LAC+USC Medical Center (LAC+USC MC).

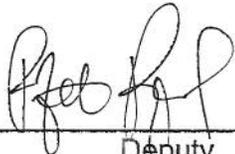
This Resolution authorizes the Director of Health Services, or his designee, to sign Agreement No. 5600001563, any future Agreement(s) for inpatient and outpatient services provided to incarcerated youth at LAC+USC MC, and subsequent Amendments to Agreement No. 5600001563 or to any future Agreements that require minor changes or to add funding, if necessary, between the County of Los Angeles and the State of California, Department of Corrections through June 30, 2016.

In accordance with Government Code Section 6254.14, all information related to this Agreement or subsequent Amendment(s) is exempt from public disclosure for a period of one year after the execution date. Moreover, rate information related to this Agreement, or subsequent Agreement or subsequent Amendment(s), is exempt from public disclosure for a period of four (4) years after the execution date of Agreement or subsequent Amendment(s).

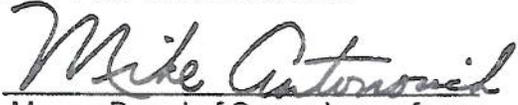
The foregoing resolution was on the 11th day of January, 2011, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



APPROVED AS TO FORM
BY COUNTY COUNSEL

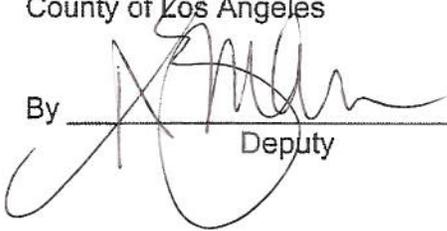
By 
Deputy

COUNTY OF LOS ANGELES

By 
Mayor, Board of Supervisors of
Los Angeles County

Attest:

SACHI HAMAI, Executive Officer-Clerk
of the Board of Supervisors of the
County of Los Angeles

By 
Deputy

STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD 213 (Rev 06/03)

AGREEMENT NUMBER 5600001563
REGISTRATION NUMBER

- This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME	California Department of Corrections and Rehabilitation (CDCR)
CONTRACTOR'S NAME	Los Angeles County, Department of Health Services (DHS)
- The term of this Agreement is: July 1, 2010 through June 30, 2013
- The maximum amount of this Agreement is: \$300,000.00
Three Hundred Thousand Dollars and No Cents
- The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	6 pages
Exhibit B – Budget Detail and Payment Provisions	2 pages
Exhibit C* – General Terms and Conditions	GTC 610
Exhibit D - Special Terms and Conditions For Public Entities	11 pages
Exhibit G – Covered Entity	2 pages

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
 These documents can be viewed at www.ols.dgs.ca.gov/Standard+Language

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		California Department of General Services Use Only <input type="checkbox"/> Exempt per:
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.) Los Angeles County, Department of Health Services (DHS)		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING Mitchell H. Katz, M. D., Director		
ADDRESS 313 N. Figueroa Street, 6 th Floor, East Los Angeles, CA 90012		
STATE OF CALIFORNIA		
AGENCY NAME California Department of Corrections and Rehabilitation		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING Linda K. Patterson, Chief, Institution Contracts Section		
ADDRESS 10000 Goethe Rd., Ste. C1, Sacramento, CA 95827		

EMERGENCY, MEDICAL, SURGICAL, AND DIAGNOSTIC SERVICES

1. The Contractor shall provide to the California Department of Corrections and Rehabilitation (CDCR), Division of Juvenile Justice, (DJJ) for **Emergency, Medical, Surgical, and Diagnostic Services** including Outpatient and Clinical visits as described herein.
2. Services shall be performed at USC Los Angeles County Medical Center, 1240 N. Mission Road, Los Angeles, CA 90033.
3. Services shall be provided throughout the entire term of this Agreement.
4. The project representatives during the term of this Agreement will be:

State Agency: California Department of Correction and Rehabilitation (CDCR- DJJ)	Contractor: Los Angeles County, Department of Health Services (DHS)
Name: Sharon Brooks, CHASA II	Name: John F. Schunhoff, Ph.D., Interim Director
Phone: (562) 868-9979-x2228	Phone: (213) 240-8215
Fax: (5562) 462-1678	Fax: (213) 240-8343

Direct all inquiries to:

State Agency CDCR/DJJ-SYCRCC	Contractor : Los Angeles County, Department of Health Services (DHS)
Section/Unit: SYCRCC- Norwalk	Section Unit: Robert G Splawn, MD,
Attention :Sharon Brooks, HCSAII	Attention: Contract Unit
Address: 13200 S. Bloomfield Ave, Norwalk, CA 90650	Address: 313 N. Figueroa Street 6th Floor, East Los Angeles, CA 90012
Phone: (562) 868-9979 x2228	Phone: (213) 240-8215
Fax: (562) 462-1678	Fax: (213) 240-8343

5. Detailed description of work to be performed and duties of all parties:
 See pages 2-6, Scope of Work

1. Introduction/Services

- a. Contractor shall provide all labor, materials, staff, transportation, licenses, permits, certificates and every other item of expense necessary to provide hospital inpatient and outpatient emergency medical, surgical, diagnostic, therapeutic and other related services as needed to any youth referred for such medical services by the California Department of Corrections and Rehabilitation (CDCR) Division of Juvenile Justice (DJJ).
- b. Contractor must possess and maintain throughout the term of this Agreement, a valid medical license and board certification to practice specialty services in the State of California, as outlined below. In addition, Contractor must be one of the following:
 - (1) Contractor shall be licensed to practice medicine in the State of California as defined in the Medical Practice Act, Chapter 5, commencing with Section 2000 of the Business and Professions Code, and possess a valid Physician license as issued by the Medical Board of California. Contractor must be a Medical Doctor (M.D.), be Board Certified or Board Eligible in his/her specialty(ies) and maintain current Cardiopulmonary Resuscitation (CPR) or Advanced Cardiac Life Support (ACLS) certification.
 - (2) Contractor shall have on staff physician(s) licensed to practice medicine in the State of California as defined in the Medical Practice Act, Chapter 5, commencing with Section 2000 of the Business and Professions Code, and possess a valid Physician license as issued by the Medical Board of California. Physician must be a Medical Doctor (M.D./D.O), be Board Certified or Board Eligible in his/her specialty(ies) and maintain current Cardiopulmonary Resuscitation (CPR) or Advanced Cardiac Life Support (ACLS) certification.
- c. Contractor or personnel referred by Contractor shall be able to perform the tasks associated with providing the above medical services, and assumes full responsibility for the provision of these services. All services performed outside the scope of this Agreement will be at the sole risk and expense of Contractor.
- d. Services shall be provided upon request and at the direction of the Health Care Manager/Chief Medical Officer (HCM/CMO) or designee, and must be based on medical necessity and effective to protect life, prevent significant illness or disability, or alleviate severe pain that significantly disables the patient from reasonable independent function. CDCR will defer services if the health care service is non-essential or could safely be deferred until the youth is released from custody, when he/she is able to arrange for services for himself/herself.

- e. Contractor shall ensure that all ordered medical services and proposed surgical procedures shall be scheduled consistent with the severity of the medical need. Once scheduled, services shall be delivered at the time scheduled, unless unavoidable circumstances occur.
- f. CDCR will provide transportation for all patient procedures. Los Angeles County Sheriff's Department will provide security while youths are hospitalized at the USC Los Angeles County Medical Center Jail Ward. In the event the Jail Ward is at capacity, CDCR will provide security personnel 24 hours (24) per day at the accepted ratio of one (1) staff per five (5) youths or one (1) up to and including the fifth youths and an additional staff for six (6) through ten (10) youths.

2. Professional Licenses/Permits/Certification Requirements

- a. Contractor shall ensure that all personnel responsible for discharging Contractor's duties and obligations under this Agreement are individuals qualified to perform the various functions under this Agreement, as defined by applicable statutes and regulations related to their scope of health care practice.
- b. Contractor shall ensure that all Contractor's medical and other health care professional staff and contracted subcontractors are duly licensed, certified and/or registered as required by the laws of this State and that no restrictions exist on said licensure, certification and/or registration. Contractor shall agree to routinely monitor its medical and professional staff's licenses, certifications and/or registrations to ensure that they are current and that such medical and professional staff do not have any State of California licensing, certification and/or registration restrictions. Contractor shall ensure that all Contractor's subcontractors discharging Contractor's duties and obligations under this Agreement are licensed, certified, and registered individuals qualified to perform the various functions under this Agreement.

3. Other Requirements

a. Standards of Obligation

- (1) Contractor recognizes that the CDCR acts in a fiduciary capacity to the State of California and that this fiduciary duty extends to the provision and management of medical health care services, mental health care services, and dental services for the wards of the State of California. To assist CDCR in its exercise of this duty, Contractor shall provide high quality services, consistent with the terms and conditions under this Agreement and consistent with established and commonly accepted standards and principles of medical practice. Nothing in this Agreement shall supersede the common law rules for the interpretation of established and commonly accepted standards and principles of medical practice.

- (2) Contractor shall acknowledge and adhere to the CDCR medical staff by-laws, rules, regulations, policies and procedures as directed by the HCM/CMO or designee, and comply with universal infection control precautions.

b. Authorization

- (1) Authorization for Treatment

Contractor shall ensure that, excluding emergency care services, prior authorization is obtained in writing from the respective CDCR facilities HCM/CMO or designee, in accordance with CDCR's Utilization Management Plan. Contractor shall complete and return all forms required by CDCR regarding treatment of youths. Authorization must be documented in the youth's medical record in all cases of essential services before considering any non-emergency treatment, or any consultations by specialty physicians or diagnostic procedures not specifically stated in a CDCR prior authorization form. Except for emergency care, CDCR will not render payment for services that do not have prior authorization and CDCR determine were not medically necessary or were inappropriately delivered.

- (2) Authorization for Transportation/Transfers

Contractor agrees that CDCR retains full authority to determine the manner in which a youth is transported to the CDCR institutions or transferred to other health care facilities, after the course of treatment or therapy has been implemented or completed.

Contractor shall not transfer a youth to any facility or Contractor without prior written authorization from the appropriate CDCR facilities HCM/CMO or designee.

- (3) Experimental and Investigational Drugs and Procedures

Contractor shall not perform on or administer to any youth any experimental or investigational treatment, therapy, procedure or drug. Such treatment, unless it is related to specific California legislative provisions, is prohibited under Penal Code, Section 3502, and thus must have prior authorization. Contractor agrees to perform or administer only those medical services which are recognized as being in accord with generally accepted professional medical standards, or as being safe and effective for use in the treatment of an illness, injury or condition at issue.

c. Exclusions and Limitations

- (1) Contractor shall ensure that no health care service or treatment shall be provided for those conditions specifically listed in California Code of Regulations (CCR), Title 15, Division 3, Chapter 1, Subchapter 4, Article 8, Section 3350.1. Contractor may request individual case exceptions for excluded or limited health care service or treatment by seeking prior approval of the HCM/CMO or designee.
- (2) Contractor shall ensure that any excluded health care service or treatment needed for pre-existing conditions shall be provided only in the event that the condition has become aggravated in such a manner that it poses a significant threat to the youth's current health and if not treated would result in morbidity and/or mortality. Contractor acknowledges that the appeal must be recognized as medically necessary.
- (3) The CDCR Medical Standards of Care will be used as a reference when prior authorization is granted. In the event CDCR adopts another objective standard for Utilization Management (UM) review to screen youth health care regarding prior authorization, inpatient admissions, and other types of UM review, CDCR institution shall notify Contractor of the new standard no less than thirty (30) days before the new standard is implemented.

d. Required Notices

Any notice required hereunder shall be deemed to be sufficient if mailed to CDCR at the address below. If the mail is used to give any notice required in this Agreement, notice shall be deemed as given on the day after it is deposited in the United States mail with First Class postage prepaid and addressed to CDCR. Only actual written notice will suffice for the purpose of meeting any notice requirement in this Agreement.

Contractor's Address	California Department of Corrections and Rehabilitation
For Contractor address refer to	Southern Youth Correctional Reception Center and Clinic
STD 213	13200 S. Bloomfield Ave, Norwalk, CA 90650

In order to avoid unreasonable delay in the provision of the services delivered pursuant to this Agreement, Contractor and CDCR shall each designate a specific representative for the purpose of communication between the parties. Such representatives may be changed upon written notice to the other party.

4. Request for Services

- a. At the time of scheduling, CDCR will provide Contractor with an estimate of the period of time the institution anticipates the need for the services as defined in

Section 1 (a). This will be a good faith estimate based on the circumstances known to CDCR at the time of the request. It is not a guarantee of business and is subject to change depending on CDCR's fluctuations in the ward population.

- b. Contractor acknowledges that the institution may request services at any time, including weekends and holidays, if needed for emergency services.
- c. Contractor shall provide offsite services as requested by the HCM/CMO on an as-needed basis, in accordance with each facility's policies and procedures.
- d. Contractor shall have available a contact person with twenty-four (24) hour telephone availability. Telephone answering machines are not acceptable. The initial contact will be by phone; however, CDCR will make every attempt to follow up with an email or facsimile.
- e. This Agreement is not exclusive and CDCR reserves the right to contract with other Contractors for the same service.

5. **Cancellation**

Contractor shall notify CDCR at least twenty-four hours in advance of scheduled services if unable to provide services for reasons other than illness, or immediately provide replacement staff to avoid disruption of service.

6. **Inspections**

Inspections shall be carried out by the HCM/CMO or designee at various times during the agreement term to check on the quality of work and determine acceptability of work performed before agreement payment will be approved.

7. **Failure to Perform**

- a. CDCR shall routinely evaluate the work performance of Contractor to determine if CDCR standards and departmental/facilities policies and procedures are being maintained. If Contractor fails to perform or is physically or mentally incapable of providing the service as required by this Agreement, Contractor shall not be permitted to perform service. The HCM/CMO or designee shall state in writing the reasons Contractor did not meet the required policies or standards. CDCR shall not pay Contractor for any services performed which are deemed unacceptable in accordance with the required services contemplated by this Agreement.
- b. Failure to provide services on three (3) or more occasions may result in termination of this Agreement or the institution not having to contact Contractor prior to going to the other Contractors for the duration of the Agreement term. The HCM/CMO or designee has sole discretion in this selection.

EMERGENCY, MEDICAL, SURGICAL AND DIAGNOSTIC SERVICES

1. Invoicing and Payment

- a. For services satisfactorily rendered, and upon receipt and approval of Contractor's invoices, the State agrees to compensate Contractor for actual expenditures incurred. Contractor shall provide Emergency Medical, Surgical, and Diagnostic Services at a rate **not to exceed 130% of Medicare rates.**

Inpatient Per Diem	\$2,058.00 per day
Outpatient Clinic Visits	\$538.00 per visit
Custodial Charge for LA County Sheriff	\$368.07 per day

Total amount of this Agreement shall not exceed \$100,000.00 per year for a three (3) year total of \$300,000.00.

The following requirement must be included, if applicable to services performed, on all invoices sent for Reimbursement.

1. A Current Procedural Terminology (CPT) code shall be used to identify the services rendered by the provider.
 2. Each diagnosis shall be identified by the proper International Classification of Disease Code 9th revision (ICD IX)
 3. An American Dental Association (ADA) Code is needed for each Dental procedure performed.
 4. A Diagnostic Statistical Manual IV (DSM IV) code is required for each Psychiatric diagnosis
 5. Invoices for Emergency physician or professional physician consult shall be submitted on HCFA form 1500
 6. Invoices for hospital care shall be submitted on UB92
- b. Invoices shall include the Agreement Number and shall be submitted to the HCSA II and Chief Physician and Surgeon for review with admitting and discharge summaries not more frequently than monthly in arrears.

Invoices submitted for payment shall include:

1. Contractor's name, address, and Agreement Number
2. CDCR Facility
3. Date of services
4. Type of service
5. Summary/report of visits

Invoices shall be sent to:

California Department of Corrections and Rehabilitation (CDCR)
Northern California Regional Accounting Office (DJJ-NCRAO)
For Southern Youth Correctional Reception Center and Clinic
Attention: Accounts Payable
P. O. Box 213004
Stockton, CA 95213-9004

2. **Budget Contingency Clause**

- a. It is mutually agreed that if the California State Budget Act for the current fiscal year and/or any subsequent fiscal years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor, or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- b. If funding for the purposes of this program is reduced or deleted for any fiscal year by the California State Budget Act, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement amendment to Contractor to reflect the reduced amount.

3. **Prompt Payment Clause**

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927. Payment to small/micro businesses shall be made in accordance with and within the time specified in Chapter 4.5, Government Code 927 et seq.

4. **Subcontractors**

Nothing contained in this Agreement shall create any contractual relationship between the State and any subcontractors, and no subcontract shall relieve Contractor of Contractor's responsibilities and obligations hereunder. Contractor shall be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Contractor. Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

GENERAL TERMS AND CONDITIONS

1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.
7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

9. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).

10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 307 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. TIMELINESS: Time is of the essence in this Agreement.

13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

15. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.

a. The Government Code Chapter on Antitrust claims contains the following definitions:

1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.

2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.

b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.

d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:

a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)

b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER:

If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

EMERGENCY, MEDICAL, SURGICAL AND DIAGNOSTIC SERVICES

1. Contract Disputes with Public Entities (Supersedes provision number 6, Disputes, of Exhibit C)

As a condition precedent to Contractor's right to institute and pursue litigation or other legally available dispute resolution process, if any, Contractor agrees that all disputes and/or claims of Contractor arising under or related to the Agreement shall be resolved pursuant to the following processes. Contractor's failure to comply with said dispute resolution procedures shall constitute a failure to exhaust administrative remedies.

Pending the final resolution of any such disputes and/or claims, Contractor agrees to diligently proceed with the performance of the Agreement, including the delivering of goods or providing of services. Contractor's failure to diligently proceed shall constitute a material breach of the Agreement.

The Agreement shall be interpreted, administered, and enforced according to the laws of the State of California. The parties agree that any suit brought hereunder shall have venue in Sacramento, California, the parties hereby waiving any claim or defense that such venue is not convenient or proper.

A county, city, district or other local public body, state board or state commission, another state or federal agency, or joint-powers authority shall resolve a dispute with CDCR, if any, through a meeting of representatives from the entities affected. If the dispute cannot be resolved to the satisfaction of the parties, each entity may thereafter pursue its right to institute litigation or other dispute resolution process, if any, available under the laws of the State of California.

2. Confidentiality of Information

CDCR and Provider agree that all inmate/patient health information is identified as confidential and shall be held in trust and confidence and shall be used only for the purposes contemplated under this Agreement.

Provider by acceptance of this Agreement is subject to all of the requirements of the federal regulations implementing the Health Insurance Portability and Accountability Act of 1996 (Code of Federal Regulations (CFR), Title 45, Sections 164.501 et seq.); the California Government Code Section 11019.9; California Civil Code Sections 56 et seq.; and California Civil Code Sections 1798, et seq.; regarding the collections, maintenance, and disclosure of personal and confidential information about individuals. Attached as Exhibit "G" and incorporated herein is a Business Associate Agreement which memorializes the parties' duties and obligations with respect to the protection, use, and disclosure of protected health information.

3. Confidentiality of Data

All financial, statistical, personal, technical and other data and information relating to State's operation, which are designated confidential by the State and made available to carry out this Agreement, or which become available to the Contractor in order to carry out this Agreement, shall be protected by the Contractor from unauthorized use and disclosure.

If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used with the written consent of the State. The Contractor shall not be required under the provisions of this paragraph to keep confidential any data already rightfully in the Contractor's possession that is independently developed by the Contractor outside the scope of the Agreement or is rightfully obtained from third parties.

No reports, information, inventions, improvements, discoveries, or data obtained, repaired, assembled, or developed by the Contractor pursuant to this Agreement shall be released, published, or made available to any person (except to the State) without prior written approval from the State.

Contractor by acceptance of this Agreement is subject to all of the requirements of California Government Code Section 11019.9 and California Civil Code Sections 1798, et seq., regarding the collection, maintenance, and disclosure of personal and confidential information about individuals.

4. Accounting Principles

The Contractor will adhere to generally accepted accounting principles as outlined by the American Institute of Certified Public Accountants. Dual compensation is not allowed; a contractor cannot receive simultaneous compensation from two or more funding sources for the same services performed even though both funding sources could benefit.

5. Taxes

Unless required by law, the State of California is exempt from federal excise taxes.

6. Right to Terminate (Supersedes provision number 7, Termination for Cause, of Exhibit C)

The parties hereto agree that either party may cancel this Agreement by giving the other party written notice thirty (30) days in advance of the effective date of such cancellation. In the event of such termination, the State agrees to pay Contractor for actual services rendered up to and including the date of termination.

The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

7. Extension of Term

If it is determined to be in the best interest of the State, upon agreement, the State may extend this contract, with no increase in service cost, for a period of one (1) year or less.

8. Contractor Employee Misconduct

During the performance of this Agreement, it shall be the responsibility of the Contractor whenever there is an incident of use of force or allegation(s) of employee misconduct associated with and directly impacting inmate and/or parolee rights, to immediately notify the CDCR of the incident(s), to cause an investigation to be conducted, and to provide CDCR with all relevant information pertaining to the incident(s). All relevant information includes, but is not limited to: a) investigative reports; b) access to inmates/parolees and the associated staff; c) access to employee personnel records; d) that information reasonably necessary to assure CDCR that inmates and/or parolees are not or have not been deprived of any legal rights as required by law, regulation, policy and procedures; and e) written evidence that the Contractor has taken such remedial action, in the event of unnecessary or excessive force, or employee misconduct with inmates and/or parolees, as will assure against a repetition of incident(s) or retaliation. To the extent that the information provided by the Contractor fails to so assure CDCR, CDCR may require that any implicated Contractor staff be denied access to and the supervision of CDCR inmates and/or parolees at the facility and access to inmate and/or parolee records. Notwithstanding the foregoing, and without waiving any obligation of the Contractor, CDCR retains the power to conduct an independent investigation of any incident(s). Furthermore, it is the responsibility of the Contractor to include the foregoing terms within any and all subcontracts, requiring that subcontractor(s) agree to the jurisdiction of CDCR to conduct an investigation of their facility and staff, including review of subcontractor employee personnel records, as a condition of the Agreement.

9. Subcontracting

Services provided are to be performed primarily with the staff of the public entity or, in the case of educational institutions, auxiliaries or foundations, by the faculty, staff or students associated with the particular institution. Agreements are not to be used by state agencies to circumvent the competitive bidding requirements of Public Contract Code Section 10340.

If more than twenty-five (25) percent of the total contract amount or \$50,000.00, whichever is less, is subcontracted, non-competitive bid approval must be obtained from the Secretary of CDCR and the Department of General Services prior to the commencement of services, unless the subcontract was competitively bid or the subcontractor(s) also qualifies as a state agency, governmental agency, or joint power.

10. Subcontractor/Consultant Information

Contractor is required to identify all subcontractors and consultants who will perform labor or render services in the performance of this Agreement. Additionally, the Contractor shall notify the Department of Corrections and Rehabilitation, Office of Business Services, in writing, within ten (10) working days, of any changes to the subcontractor and/or consultant information.

11. Liability for Nonconforming Work

The Contractor will be fully responsible for ensuring that the completed work conforms to the agreed upon terms. If nonconformity is discovered prior to the Contractor's deadline, the Contractor will be given a reasonable opportunity to cure the nonconformity. If the nonconformity is discovered after the deadline for the completion of the project, CDCR, in its sole discretion, may use any

reasonable means to cure the nonconformity. The Contractor shall be responsible for reimbursing CDCR for any additional expenses incurred to cure such defects.

12. Temporary Nonperformance

If, because of mechanical failure or for any other reason, the Contractor shall be temporarily unable to perform the work as required, the State, during the period of the Contractor's inability to perform, reserves the right to accomplish the work by other means and shall be reimbursed by the Contractor for any additional costs above the Agreement price.

13. Contract Violations

The Contractor acknowledges that any violation of Chapter 2, or any other chaptered provision of the Public Contract Code (PCC), is subject to the remedies and penalties contained in PCC Sections 10420 through 10425.

14. Employment of Ex-Offenders

Contractor cannot and will not either directly, or on a subcontract basis, employ in connection with this Agreement:

- a. Ex-Offenders on active parole or probation, who have been on active parole or probation during the last three years preceding their employment;
 1. Contractor shall only employ ex-offenders who can provide written evidence of having satisfactorily completed parole or probation, and who have remained off parole or probation, and have had no arrests or convictions within the past three years.
- b. Ex-offenders convicted of drug trafficking in a prison/jail; escape or aiding/abetting escape; battery on a Peace Officer or Public Official; arson offenses; or, any violations of Penal Code Sections 4570-4574 (unauthorized Communications with Prisons and Prisoners Offenses).
- c. Ex-Offenders are required to register as a sex offender pursuant to Penal Code Section 290.
- d. Any ex-offender who has an offense history involving a "violent felony" as defined in subparagraph (c) of Penal Code Section 667.5; or
- e. Any ex-offender in a position which provides direct supervision of parolees.

An ex-offender whose assigned duties involve administrative or policy decision-making, accounting, procurement, cashiering, auditing, or any other business-related administrative function shall be fully bonded to cover any potential loss to the State or contractor. Evidence of such bond shall be supplied to CDCR prior to employment of the ex-offender.

15. Conflict of Interest

The Contractor and their employees shall abide by the provisions of Government Code (GC) Sections 1090, 81000 et seq., 82000 et seq., 87100 et seq., and 87300 et seq., Public Contract Code (PCC) Sections 10335 et seq. and 10410 et seq., California Code of Regulations (CCR), Title

2, Section 18700 et seq. and Title 15, Section 3409, and the Department Operations Manual (DOM) Section 31100 et seq. regarding conflicts of interest.

a. Contractors and Their Employees

Consultant contractors shall file a Statement of Economic Interests, Fair Political Practices Commission (FPPC) Form 700 prior to commencing services under the Agreement, annually during the life of the Agreement, and within thirty (30) days after the expiration of the Agreement. Other service contractors and/or certain of their employees may be required to file a Form 700 if so requested by the CDCR or whenever it appears that a conflict of interest may be at issue. Generally, service contractors (other than consultant contractors required to file as above) and their employees shall be required to file an FPPC Form 700 if one of the following exists:

- (1) The Agreement service has been identified by the CDCR as one where there is a greater likelihood that a conflict of interest may occur;
- (2) The Contractor and/or Contractor's employee(s), pursuant to the Agreement, makes or influences a governmental decision; or
- (3) The Contractor and/or Contractor's employee(s) serves in a staff capacity with the CDCR and in that capacity participates in making a governmental decision or performs the same or substantially all the same duties for the CDCR that would otherwise be performed by an individual holding a position specified in the CDCR's Conflict of Interest Code.

b. Current State Employees

- (1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- (2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.
- (3) In addition to the above, CDCR officials and employees shall also avoid actions resulting in or creating an appearance of:
 - (a) Using an official position for private gain;
 - (b) Giving preferential treatment to any particular person;
 - (c) Losing independence or impartiality;
 - (d) Making a decision outside of official channels; and
 - (e) Affecting adversely the confidence of the public or local officials in the integrity of the program.
- (4) Officers and employees of the Department must not solicit, accept or receive, directly or indirectly, any fee, commission, gratuity or gift from any person or business organization doing or seeking to do business with the State.

c. Former State Employees

- (1) For the two year (2-year) period from the date he or she left state employment, no former state officer or employee may enter into an Agreement in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the Agreement while employed in any capacity by any state agency.
- (2) For the twelve-month (12-month) period from the date he or she left state employment, no former state officer or employee may enter into an Agreement with any state agency if he or she was employed by that state agency in a policy-making position in the same general

subject area as the proposed Agreement within the 12-month period prior to his or her leaving state service.

In addition to the above, the Contractor shall avoid any conflict of interest whatsoever with respect to any financial dealings, employment services, or opportunities offered to inmates or parolees. The Contractor shall not itself employ or offer to employ inmates or parolees either directly or indirectly through an affiliated company, person or business unless specifically authorized in writing by CDCR. In addition, the Contractor shall not (either directly, or indirectly through an affiliated company, person or business) engage in financial dealings with inmates or parolees, except to the extent that such financial dealings create no actual or potential conflict of interest, are available on the same terms to the general public, and have been approved in advance in writing by CDCR. For the purposes of this paragraph, "affiliated company, person or business" means any company, business, corporation, nonprofit corporation, partnership, limited partnership, sole proprietorship, or other person or business entity of any kind which has any ownership or control interest whatsoever in the Contractor, or which is wholly or partially owned (more than 5% ownership) or controlled (any percentage) by the Contractor or by the Contractor's owners, officers, principals, directors and/or shareholders, either directly or indirectly. "Affiliated companies, persons or businesses" include, but are not limited to, subsidiary, parent, or sister companies or corporations, and any company, corporation, nonprofit corporation, partnership, limited partnership, sole proprietorship, or other person or business entity of any kind that is wholly or partially owned or controlled, either directly or indirectly, by the Contractor or by the Contractor's owners, officers, principals, directors and/or shareholders.

The Contractor shall have a continuing duty to disclose to the State, in writing, all interests and activities that create an actual or potential conflict of interest in performance of the Agreement.

The Contractor shall have a continuing duty to keep the State timely and fully apprised in writing of any material changes in the Contractor's business structure and/or status. This includes any changes in business form, such as a change from sole proprietorship or partnership into a corporation or vice-versa; any changes in company ownership; any dissolution of the business; any change of the name of the business; any filing in bankruptcy; any revocation of corporate status by the Secretary of State; and any other material changes in the Contractor's business status or structure that could affect the performance of the Contractor's duties under the Agreement.

If the Contractor violates any provision of the above paragraphs, such action by the Contractor shall render this Agreement void.

Members of boards and commissions are exempt from this section if they do not receive payment other than payment for each meeting of the board or commission, payment for preparatory time and payment for per diem.

16. Travel

Contractor's rates shall include all travel expenses required to perform services in accordance with this contract.

17. Notification of Personnel Changes

Contractor must notify the State, in writing, of any changes of those personnel allowed access to State premises for the purpose of providing services under this Agreement. In addition, Contractor must recover and return any State-issued identification card provided to Contractor's employee(s) upon their departure or termination.

18. Security Clearance/Fingerprinting

The State reserves the right to conduct fingerprinting and/or security clearance—through the Department of Justice, Bureau of Criminal Identification and Information (BCII)—prior to award and at any time during the term of the Agreement, in order to permit Contractor (and/or Contractor employee) access to State premises. The State further reserves the right to terminate the Agreement should a threat to security be determined.

19. Computer Software

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

20. Expendable Equipment

Expendable equipment is defined as expendable items which change with use and have a unit acquisition cost of less than \$5,000 per unit (i.e. fax machines, computers, printers, etc.). Title to any expendable equipment purchased or built with State funds as part of this agreement will vest in the State. The Contractor must retain a listing of expendable equipment purchases that are considered "theft-sensitive" items, such as cameras, calculators, two-way radios, computer equipment, etc., for audit purposes. Upon completion or termination of the agreement, Contractors are required to leave all expendable equipment for use by subsequent contractors or for the State to dispose of accordingly. The State may authorize the continued use of such equipment for work to be performed under a different agreement.

The cost of expendable equipment purchased should be comparable to the prevailing price for similar items in the surrounding area.

21. Electronic Waste Recycling

The Contractor certifies that it complies with the requirements of the Electronic Waste Recycling Act of 2003, Chapter 8.5, Part 3 of Division 30, commencing with Section 42460 of the Public Resources Code, relating to hazardous and solid waste. Contractor shall maintain documentation and provide reasonable access to its records and documents that evidence compliance.

22. Liability for Loss and Damages

Any damages by the Contractor to the State's facility including equipment, furniture, materials or other State property, will be repaired or replaced by the Contractor to the satisfaction of the State at

no cost to the State. The State may, at its option, repair any such damage and deduct the cost thereof from any sum due Contractor under this Agreement.

23. Disclosure

Neither the State nor any State employee will be liable to the Contractor or its staff for injuries inflicted by inmates or parolees of the State. The State agrees to disclose to the Contractor any statement(s) known made by any inmate or parolee which indicate violence may result in any specific situation, and the same responsibility will be shared by the Contractor in disclosing such statement(s) to the State.

24. Workers' Compensation

Contractor hereby represents and warrants that Contractor is currently and shall, for the duration of this agreement, carry workers' compensation insurance, at Contractor's expense, or that it is self-insured through a policy acceptable to CDCR, for all of its employees who will be engaged in the performance of this agreement. Such coverage will be a condition of CDCR's obligation to pay for services provided under this agreement.

Prior to approval of this agreement and before performing any work, Contractor shall furnish to the State evidence of valid workers' compensation coverage. Contractor agrees that the workers' compensation insurance shall be in effect at all times during the term of this agreement. In the event said insurance coverage expires or is canceled at any time during the term of this agreement, Contractor agrees to give at least thirty (30) days prior notice to CDCR before said expiration date or immediate notice of cancellation. Evidence of coverage shall not be for less than the remainder of the term of the agreement or for a period of not less than one year. The State reserves the right to verify the Contractor's evidence of coverage. In the event the Contractor fails to keep workers' compensation insurance coverage in effect at all times, the State reserves the right to terminate this agreement and seek any other remedies afforded by the laws of this State.

Contractor also agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all of Contractor's workers' compensation claims and losses by Contractor's officers, agents and employees related to the performance of this agreement.

25. Loss Leader

It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. A "loss leader" is any article or product sold at less than cost: (a) Where the purpose is to induce, promote or encourage the purchase of other merchandise; or (b) Where the effect is a tendency or capacity to mislead or deceive purchasers or prospective purchasers; or (c) Where the effect is to divert trade from or otherwise injure competitors.

26. Insurance Requirements

Insurance as required herein shall be a condition of the State's obligation to pay for services provided under this Agreement. Prior to approval of this Agreement and before performing any work, Contractor and any subcontractor shall furnish to the State evidence of valid coverage. The following shall be considered evidence of coverage: A certificate of insurance, a "true and certified"

copy of the policy, or any other proof of coverage issued by Contractor's insurance carrier. Binders are not acceptable as evidence of coverage. Providing evidence of coverage to the State conveys no rights or privileges to the State, nor does it insure any State employee or insure any premises owned, leased, used by or otherwise or under the control of the State. It does, however, serve to provide the State with proof that the Contractor and any subcontractors are insured at the minimum levels required by the State of California.

Contractor agrees that any liability insurance required in the performance of this Agreement shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires or is canceled during the term of this Agreement, Contractor's insurance provider must agree to give at least thirty (30) days prior notice to the State before said expiration date or notice of cancellation. Evidence of coverage required in the performance of this Agreement shall not be for less than the remainder of the term of this Agreement or for a period of not less than one year. The State and the Department of General Services (DGS) reserve the right to verify the Contractor's evidence of coverage; evidence of coverage is subject to the approval of the DGS. In the event the Contractor fails to keep insurance coverage as required herein in effect at all times, the State reserves the right to terminate this Agreement and to seek any other remedies afforded by the laws of the State of California.

Contractor hereby represents and warrants they (and any subcontractors) are currently and shall for the duration of this Agreement be insured. Contractor shall provide proof of self-insurance against:

27. Tuberculosis (TB) Testing

In the event that the services required under this Agreement will be performed within a CDCR institution/parole office/community-based program, prior to the performance of contracted duties, Contractors and their employees who are assigned to work with inmates/parolees on a regular basis shall be required to be examined or tested or medically evaluated for TB in an infectious or contagious stage, and at least once a year thereafter or more often as directed by CDCR. Regular basis is defined as having contact with inmates/parolees in confined quarters more than once a week.

Contractors and their employees shall be required to furnish to CDCR, at no cost to CDCR, a form CDCR 7336, "Employee Tuberculin Skin Test (TST) and Evaluation," prior to assuming their contracted duties and annually thereafter, showing that the Contractor and their employees have been examined and found free of TB in an infectious stage. The form CDCR 7336 will be provided by CDCR upon Contractor's request.

The following provisions apply to services provided on departmental and/or institution grounds:

28. Blood borne Pathogens

Provider shall adhere to California Division of Occupational Safety and Health (CAL-OSHA) regulations and guidelines pertaining to blood borne pathogens.

29. Primary Laws, Rules, and Regulations Regarding Conduct and Association with State Prison Inmates

Individuals who are not employees of CDCR, but who are working in and around inmates who are incarcerated within California's institutions/facilities or camps, are to be apprised of the laws, rules and regulations governing conduct in associating with prison inmates. The following is a summation of pertinent information when non-departmental employees come in contact with prison inmates.

By signing this Agreement, the Contractor agrees that if the provisions of the Agreement require the Contractor to enter an institution/facility or camp, the Contractor and any employee(s) and/or subcontractor(s) shall be made aware of and shall abide by the following laws, rules and regulations governing conduct in associating with prison inmates:

- a. Persons who are not employed by CDCR, but are engaged in work at any institution/facility or camp must observe and abide by all laws, rules and regulations governing the conduct of their behavior in associating with prison inmates. Failure to comply with these guidelines may lead to expulsion from CDCR institutions/facilities or camps.

SOURCE: California Penal Code (PC) Sections 5054 and 5058; California Code of Regulations (CCR), Title 15, Sections 3285 and 3415

- b. CDCR does not recognize hostages for bargaining purposes. CDCR has a "NO HOSTAGE" policy and all prison inmates, visitors, and employees shall be made aware of this.

SOURCE: PC Sections 5054 and 5058; CCR, Title 15, Section 3304

- c. All persons entering onto institution/facility or camp grounds consent to search of their person, property or vehicle at any time. Refusal by individuals to submit to a search of their person, property, or vehicle may be cause for denial of access to the premises.

SOURCE: PC Sections 2601, 5054 and 5058; CCR, Title 15, Sections 3173, 3177, and 3288

- d. Persons normally permitted to enter an institution/facility or camp may be barred, for cause, by the CDCR Director, Warden, and/or Regional Parole Administrator.

SOURCE: PC Sections 5054 and 5058; CCR, Title 15, Section 3176 (a)

- e. It is illegal for an individual who has been previously convicted of a felony offense to enter into CDCR institutions/facilities or camps without the prior approval of the Warden. It is also illegal for an individual to enter onto these premises for unauthorized purposes or to refuse to leave said premises when requested to do so. Failure to comply with this provision could lead to prosecution.

SOURCE: PC Sections 602, 4570.5 and 4571; CCR, Title 15, Sections 3173 and 3289

- f. It is a crime to encourage and/or assist a prison inmate to escape. It is illegal to bring firearms, deadly weapons, explosives, tear gas, drugs or drug paraphernalia on CDCR institutions/facilities or camp premises. It is illegal to give prison inmates firearms, explosives, alcoholic beverages, narcotics, or any drug or drug paraphernalia, including cocaine or marijuana.

SOURCE: PC Sections 2772, 2790, 4533, 4535, 4550, 4573, 4573.5, 4573.6 and 4574

- g. It is illegal to give or take letters from inmates without the authorization of the Warden. It is also illegal to give or receive any type of gift and/or gratuities from prison inmates.

SOURCE: PC Sections 2540, 2541 and 4570; CCR, Title 15, Sections 3010, 3399, 3401, 3424 and 3425

- h. In an emergency situation the visiting program and other program activities may be suspended.

SOURCE: PC Section 2601; CCR, Title 15, Section 3383

- i. For security reasons, visitors must not wear clothing that in any way resembles state issued prison inmate clothing (blue denim shirts, blue denim pants).

SOURCE: CCR, Title 15, Section 3171 (b) (3)

- j. Interviews with SPECIFIC INMATES are not permitted. Conspiring with an inmate to circumvent policy and/or regulations constitutes a rule violation that may result in appropriate legal action.

SOURCE: CCR, Title 15, Sections 3261.5, 3315 (3) (W), and 3177.

EMERGENCY, MEDICAL, SURGICAL, AND DIAGNOSTIC SERVICES

The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH) and their implementing regulations. Contractor understands and agrees that, as a provider of medical treatment services, it is a "covered entity" under HIPAA/HITECH and, as such, has obligations with respect to the confidentiality, privacy, and security of patients' medical information, and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of its staff and the establishment of proper procedures for the release of such information, including the use of appropriate consents and authorizations specified under HIPAA/HITECH.

The parties acknowledge their separate and independent obligations with respect to HIPAA/HITECH, and that such obligations relate to transactions and code sets, privacy, and security. Contractor understands and agrees that it is separately and independently responsible for compliance with HIPAA/HITECH in all these areas and that County has not undertaken any responsibility for compliance on Contractor's behalf. Contractor has not relied, and will not in any way rely, on County for legal advice or other representations with respect to Contractor's obligations under HIPAA/HITECH, but will independently seek its own counsel and take the necessary measures to comply with the law and its implementing regulations.

Contractor and County understand and agree that each is independently responsible for HIPAA/HITECH compliance and agree to take all necessary and reasonable actions to comply with the requirements of the HIPAA/HITECH laws and implementing regulations related to transactions and code sets, privacy, and security.

Each party further agrees that, should it fail to comply with its obligations under HIPAA/HITECH, it shall indemnify and hold harmless the other party (including the other party's officers, employees, and agents), for damages to the other party that are attributable to such failure.

Covered Entity:

Mitchell H. Katz, M. D., Director
Los Angeles County, Department of Health Services (DHS)
313 N. Figueroa Street, 6th Floor, East
Los Angeles, CA 90012

Telephone: (213) 240-8343
Facsimile: (213) 240-8215

Covered Entity:

California Department of Corrections and Rehabilitation
Privacy Officer
HIPAA Compliance Unit
Division of Correctional Health Care Services
P.O. Box 942883
Sacramento, CA 94283-0001

Telephone: (916) 327-1842
Facsimile: (916) 327-0545

CCC-307

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i>		<i>Federal ID Number</i>
LOS ANGELES COUNTY DEPARTMENT OF HEALTH SERVICES		#956000927
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		
Mitchell H. Katz, M.D., Director		
<i>Date Executed</i>	<i>Executed in the County of</i>	
	Los Angeles	

CONTRACTOR CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the

certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations,

or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts over \$100,000 executed or amended after January 1, 2007, the contractor certifies that contractor is in compliance with Public Contract Code section 10295.3.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700).

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.